



General Assembly

February Session, 2000

Raised Bill No. 473

LCO No. 1758

Referred to Committee on Judiciary

Introduced by:
(JUD)

An Act Concerning Attachment Of Government Pension Payments.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 52-321a of the general statutes is repealed and the following
2 is substituted in lieu thereof:

3 (a) Except as provided in subsection (b) of this section, any interest
4 in or amounts payable to a participant or beneficiary from (1) any
5 trust, custodial account, annuity or insurance contract established as
6 part of a Keogh plan or a retirement plan established by a corporation
7 which is qualified under Section 401, 403, 404 or 409 of the Internal
8 Revenue Code of 1986, or any subsequent corresponding internal
9 revenue code of the United States, as from time to time amended, (2)
10 any individual retirement account which is qualified under Section 408
11 of said internal revenue code to the extent funded, including income
12 and appreciation, (A) as a roll-over from a qualified retirement plan, as
13 provided in subdivision (1) of this section, pursuant to Section
14 402(a)(5), 403(a) or 408(d)(3) of said internal revenue code or (B) by
15 annual contributions which do not exceed the maximum annual limits
16 set forth in Section 219(b) of said internal revenue code, determined

17 without regard to any reduction or limitation for active participants
18 required by Section 219(g) of said internal revenue code, (3) (A) any
19 simple retirement account established and funded pursuant to Section
20 408(p) of said internal revenue code, (B) any simple plan established
21 and funded pursuant to Section 401(k)(11) of said internal revenue
22 code, (C) any Roth IRA established and funded pursuant to Section
23 408A of said internal revenue code, (D) any education individual
24 retirement account established and funded pursuant to Section 530 of
25 said internal revenue code, or (E) any simplified employee pension
26 established under Section 408(k) of said internal revenue code to the
27 extent such pension is funded by annual contributions within the
28 limits of Section 408(j) of said internal revenue code or roll-over
29 contributions from a qualified plan, as provided in subdivision (1) of
30 this subsection, pursuant to Section 402(a)(5), 403(a) or 408(d)(3) of said
31 internal revenue code, (4) any medical savings account established
32 under Section 220 of said internal revenue code, to the extent such
33 account is funded by annual deductible contributions or a roll-over
34 from any other medical savings account as provided in Section
35 220(f)(5) of said internal revenue code, or (5) any pension plan, annuity
36 or insurance contract or similar arrangement not described in
37 subdivision (1) or (2) of this subsection, established by federal or state
38 statute for federal, state or municipal employees for the primary
39 purpose of providing benefits upon retirement by reason of age, health
40 or length of service, shall be exempt from the claims of all creditors of
41 such participant or beneficiary. Any such trust, account, contract, plan
42 or other arrangement shall be (A) conclusively presumed to be a
43 restriction on the transfer of a beneficial interest of the debtor in a trust
44 that is enforceable under the laws of this state, and (B) considered a
45 trust which has been created by or which has proceeded from a person
46 other than such participant or beneficiary, even if such participant or
47 beneficiary is a self-employed individual, a partner of the entity
48 sponsoring the Keogh plan or a shareholder of the corporation
49 sponsoring the retirement plan.

50 (b) Nothing in this section shall impair the rights of an alternate

51 payee under a qualified domestic relations order, as defined in Section
52 414(p) of the Internal Revenue Code of 1986, or any subsequent
53 corresponding internal revenue code of the United States, as from time
54 to time amended. Nothing in this section shall impair the rights of the
55 state to recover the costs of incarceration from any federal, state or
56 municipal pension, annuity or insurance contract or similar
57 arrangement described in subdivision (5) of subsection (a) of this
58 section. Nothing in this section shall impair the rights of a victim of
59 crime to recover damages awarded by a court of competent
60 jurisdiction from any federal, state or municipal pension, annuity or
61 insurance contract or similar arrangement described in subdivision (5)
62 of subsection (a) of this section when such damages are the result of a
63 crime committed by a participant or beneficiary of such pension,
64 annuity or insurance contract or similar arrangement.

65 (c) Nothing in this section shall affect the status of additions or
66 contributions to a trust, account, contract, plan or other arrangement
67 described in subsection (a) of this section if (1) (A) the debtor-
68 participant or the debtor-beneficiary is a self-employed individual,
69 partner of the entity sponsoring the Keogh plan or a one per cent or
70 more shareholder of the corporation sponsoring the retirement plan, or
71 in the opinion of a court of competent jurisdiction, exercises dominion
72 and control over such proprietorship, partnership, corporation or other
73 entity and (B) the addition or contribution is made less than ninety
74 days before the filing of the claim on which the judgment is thereafter
75 entered or (2) such additions or contributions are determined to be a
76 fraudulent conveyance under applicable federal or state law.

JUD Committee Vote: Yea 39 Nay 0 JF